AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, FIRST SESSION

Vol. 149 WASHINGTON, TUESDAY, SEPTEMBER 16, 2003 *No. 127*

House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. BOOZMAN).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 16, 2003.

I hereby appoint the Honorable JOHN BOOZMAN to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a joint resolution of the following title in which the concurrence of the House of requested:

S.J. Res. 17. Joint resolution disapproving the rule submitted by the Federal Communications Commission with respect to broadcast media ownership.

The message also announced that pursuant to Public Law 106–170, the Chair, on behalf of the Democratic Leader, after consultation with the Ranking Member of the Senate Committee on Finance, announces the appointment of Andrew J. Imperato, of Maryland, to serve as a member of the Ticket to Work and Work Incentives Advisory Panel, vice Christine M. Griffin, of Massachusetts.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. SMITH) for 5 minutes.

FUTURE OF SOCIAL SECURITY

Mr. SMITH of Michigan. Mr. Speaker, in 5 minutes I am going to give a short tutorial on the bleak future of Social Security. A proposal that I just introduced, H.R. 3055 tries to make sure that we keep Social Security solvent. Social Security is one of the most successful programs in assuring that retirees continue to have some real social security.

After the Great Depression, Franklin Delano Roosevelt said what we should have is a program of forced savings during one's working years, to set aside to make sure that people have some money in retirement.

Well, as it turned out, the law that was passed provided that nothing was set aside in an individual's name. Existing workers paid in the Social Security tax and that was immediately sent out to current retirees. It was sort of a pay-as-you-go program.

It is, if you will, Mr. Speaker, like a chain letter. Uncle Sam says, look, here is a list of names; put your name at the bottom of the list and send a check to all those people above you. And when your name gets to the top when you retire, all of the people below you at that time will send you a check.

The problem is there will be fewer people to send you a check. There are two colliding forces, not only in the United States but across the world where the age of death is higher. We are living longer. And at the same time, the birth rate is going down.

In Europe, France now has a payroll tax of 51 percent. You make a dollar and have to give 51 percent to the government to take care of the seniors in that country. That is because a pay-as-you-go program with such a large senior population and a reducing birth rate means fewer number of workers to pay in, which means each individual workers has to pay out more in taxes.

Let us not let the United States come to that predicament because it will mean one of two things: a company either charges, more for this products to pay for the extra cost of that tax or you pay workers less. Either way, it is bad for the future of our economy and our ability to compete with other countries.

Mr. Speaker, let me describe H.R. 3055: The trust fund continues in our bill. The Retirement Security Act would allow workers to create on a voluntary basis accounts funded from their payroll taxes. The accounts would start at 2.5 percent of income and would reach 8 percent by 2075, a slow process as you shift away from the pay-as-you-go. Workers would own the money in their accounts. Investments would be limited and widely diversified, and investment proceeds would be subject to government oversight.

The government would supplement the accounts of low-income workers making less than $35,000 a year to ensure they build up a significant savings. What is important in those early years is the magic of compound interest, starting with a small amount of dollars and letting it grow. Again, it is an optional program.

People choosing to participate in the voluntary account program would continue to receive benefits directly from the government, and those benefits would be offset based on the amount of money going in. But they would be guaranteed so that the person that opts in to a personal retirement savings account would be guaranteed that they would be at least as well off as those that did not take that option.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.